United States Department of the Interior Bureau of Land Management Elko District, Tuscarora Field Office FINDING OF NO SIGNIFICANT IMPACT

Huntington Valley Oil and Gas Exploration Project DOI-BLM-NV-E020-2014-0003-EA

In November 2013, Noble Energy, Inc. (Noble) submitted to the Bureau of Land Management (BLM) a Master Surface Use Plan of Operations (MSUPO) for the proposed Huntington Valley Oil and Gas Exploration Project. The MSUPO was updated in January 2014 and in May 2014. The Project Area is located in Elko County approximately 21 miles south of the City of Elko. The Proposed Action is for a maximum of 20 wells on a maximum of 20 well pads including construction, drilling, completion, production/operation, and abandonment. Noble has identified 39 potential well pad locations within the Project Area; however, no more than 20 well pad locations would be constructed periodically over 2 years with a maximum of 5 years. The drill pads are on lands having public ownership of surface and minerals and split estate lands with public surface ownership and private mineral ownership. Within the Project Area, existing roads would be used, some roads would require upgrading, and new local and resource roads would be required to access the well pads and the gravel pits that would provide gravel for access road and well pad construction. The area is within a high potential oil and gas area in Elko County, Nevada.

Based on my review of the attached environmental assessment (DOI-BLM-NV-E020-2014-0003-EA), I have determined that the proposed action will not significantly affect the quality of the human environment. Therefore, preparation of an environmental impact statement is not required prior to BLM approval of the project. This finding is based on my consideration of the Council on Environmental Quality criteria for significance (40 CFR 1508.27) with regard to the context and the intensity of impacts, as discussed in the EA.

Context

The Project Area is located in Elko County approximately 21 miles south of the City of Elko in the Huntington Valley. Annual precipitation is about 9 inches. The project would disturb up to 428.1 acres, including construction of access roads to the water well site, the well pads and the removal of material from the gravel pits. This area is characterized as a sparsely populated agricultural area, and the dominant use of public lands is for livestock grazing. The closest ranch buildings are located about one-half miles from the nearest well pad. There are 15 BLM grazing allotments that coincide with the Project Area (see Map 3.5-1), of which approximately 32,225 acres of public lands

are on allotments within the Project Area. The three dominant vegetation types are in the Project Area include: Wyoming big sagebrush with bluebunch wheatgrass (74.6 percent), Wyoming big sagebrush with basin wildrye (8.3 percent), and Willow dominated lowlands (7.0 percent). Other sites in the project area that have been disturbed by agriculture and ranching/livestock operations are classified as invasive annual grasslands and, if vegetated, are dominated by cheatgrass and non-native crested wheatgrass. Disturbed areas, particularly surrounding Zunino/Jiggs Reservoir, are dominated by non-native invasive species.

Eleven species listed as Birds of Conservation Concern have either been observed or potentially occur within the Project Area. One is a candidate species - the greater sagegrouse. Another candidate species that could occur in the project area is the Columbia spotted frog. Also approximately 40,088 acres of the Project Area is crucial pronghorn winter range and 9,677 acres is summer range used by a portion of the pronghorn population. The mule deer population uses 24,256 acres of winter range, 18,560 acres of transition range, and 8,960 acres of limited use range in the Project Area.

Approximately 16 miles of the California National Historic Trail are within the project area.

<u>Intensity</u>

1) Impacts that may be both beneficial and adverse.

If successful the exploration for oil and/or gas resources on leased public lands would provide short and long term jobs in the local economy and payment of royalties would be made to the State and Federal treasury. Potential adverse impacts on natural resources such as big game and special status wildlife species as discussed in the EA would be minimized by implementation of the best management practices and mitigation measures identified in the EA.

2) The degree to which the proposed action affects public health or safety.

Potential impacts to public health and safety, including safety of workers, would be avoided by adherence to standard practices required for well drilling activities. Any oil or hazardous material that is discharged to the test tanks during operations would be removed and disposed of in compliance with State of Nevada disposal regulations in a certified disposal site (Clean Harbors). Implementation of the containment measures described in the EA would protect surface and ground water.

Site-specific Spill Prevention Plans and site-specific Storm water Pollution Prevention Plans (as submitted with the Applications for Permit to Drill) would detail measures required to reduce potential impacts to water quality. Noble has entered into an Memorandum of Understanding with the State of Nevada through the Nevada Division of Minerals, the Nevada Division of Environmental Protection, and the Board of Regents of the Nevada System of Higher Education on behalf of the Desert Research Institute to establish the Aquifer Quality Assessment Program (Aqua Program) to gather and share data and information on groundwater and geological conditions associated with the fate and, if any,

transport of chemicals used for hydraulic fracturing. The amount and type of chemicals used in the hydraulic fracturing operation would be reported to www.fracfocus.org within 30 days of hydraulic fracturing completion for public disclosure.

As described in the EA section 3.2.2.2.1, the proposed hydraulically fracture of rock formations in the Huntington Valley Project Area may result in microearthquakes that would be so small that they would not be felt by people nor cause damage to buildings. Fluid injection poses a greater risk of producing earthquakes of a magnitude that can be felt by people. The state of Nevada permits fluid injection wells and currently, Noble does not hold any permit for fluid injection at the Huntington Project.

The BLM would require the following mitigation measures to further reduce effects to geology and minerals in the Project Area:

- If Noble were to obtain an Underground Injection Control Permit and if seismic stations ELK and LB_BMN were to detect microearthquakes that seismologists had reason to believe could have been caused by Noble's activities, then BLM would work with Nevada Division of Minerals and the University of Nevada Reno Seismological Lab to determine if installation of a seismograph in the vicinity of the Huntington project would be warranted.
- Where possible microseismic events shall be recorded and data provided to the BLM; method for data collection would be either by a seismic listening tool downhole or a microseismic array on the surface near the well or other appropriate technology.

BLM has collected baseline water quality data and BLM will monitor well logs, pump tests, nearby water sources, and any other information needed to confirm that proposed action would not impact existing water resources. Implementation of the above measures, impacts to public health and safety are expected to be minimal.

3) Unique characteristics of the geographic area such as proximity to historic or cultural resources, park lands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas.

The most unique characteristic of the Project Area is its proximity to the California National Historic Trail (CNHT). Newly recorded cultural resource properties will be avoided, regardless of eligibility, by pad relocation and expanded survey of selected well pads and access roads. Segments of the previously recorded linear sites considered as contributing to eligibility have been avoided with a cultural resource buffer area.

Project activities would not occur within 400 feet of streams, creeks, springs, and wetland areas. Fueling would not occur within 400 feet of any riparian areas or standing or flowing surface waters including those at streams, ponds, springs, seeps, and stock reservoirs. Proposed cultural resource inventory prior to any surface disturbing activities associated with road building would prevent any impacts to cultural resources. No park lands, special recreation areas, wild and scenic rivers, wilderness or wilderness study areas, or other area of critical environmental concern would be affected by the proposed action. Impacts to wetland and riparian areas in the project area would be reduced by requiring best management practices during the life of the project such as installation of sediment

filters such as straw waddles at key locations below the drill pad to prevent sediment from entering the surface water. Construction activities are not planned to occur during the avian nesting season, but it is a standard operating procedure to require surveys for active nests if disturbance is rescheduled during such periods.

None of the unique characteristics above would be significantly impacted, because Project Design Features and BLM assigned Project-specific Mitigation Measures would reduce any such effects.

4) The degree to which the effects on the quality of the human environment are likely to be highly controversial.

Decisions regarding use of public lands for well pads, wells, pipelines, and access roads have been and continue to be made by the BLM. Exploration and production of leased federal oil and gas resources, including resultant effects, are not unique and have taken place on federal lands for many decades. Decisions regarding utilization of public lands for well pads, wells, pipelines, water usage and access roads have been and continue to be made by the BLM.

5) The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks.

The effects of well construction are well known, and none of the effects on any resource evaluated in the EA are considered uncertain or involve unique or unknown risks. The BLM has experience implementing and mitigating comparable actions. All drilling and construction methods proposed to be employed are accepted standard and best management practices. The application includes a plan for reclaiming areas disturbed, the success of which would be monitored by BLM.

6) The degree to which the action may establish a precedent for future actions with significant effects or represents a decision in principle about a future consideration.

This decision is not precedent-setting or unusual; no significant cumulative effects are predicted. This decision does not entail any known issues or elements that would create any precedent for future oil and gas exploration. No producing oil/gas wells have been developed in the vicinity. Future development of any additional wells above the 20 proposed would be considered in separate environmental analysis when proposed.

7) Whether the action is related to other actions with individually insignificant but cumulatively significant impacts.

Past, present and reasonably foreseeable actions in the area are related to management of the area for livestock grazing, locatable mineral operations, wildlife habitat including Greater Sage Grouse habitat and infrastructure rights of way projects. The impacts of the proposed action when considered with continued grazing, locatable mineral operations,

and infrastructure rights of way projects and other land disturbing activities in the area would not result in any cumulatively significant impacts at the local or watershed scale.

8) The degree to which the action may adversely affect districts, sites, highways, structures, or objects listed in or eligible for listing in the NRHP or may cause loss or destruction of significant scientific, cultural, or historic resources.

A class III cultural survey was conducted where ground disturbing activities are proposed. As a result, all eligible sites have been avoided by project design and no direct impacts to sites eligible for listing in the NRHP will occur. All sites that are eligible for the NRHP will be afforded a 100 foot buffer to prevent damage to any of these sites. Direct effects to known Historic Properties would be avoided through project design. Indirect effects and potential future effects to known Historic Properties would be avoided or ameliorated through the mitigation measures described in the EA.

Portions of the CNHT are located within the Project Area. The inclusion of Project Design Features would result in effects that would not be significant. Any historic properties located in the future would be avoided, and if avoidance is not possible then data recovery would be completed using a plan approved by BLM and Nevada SHPO. BLM policy provides for inadvertent discovery and mitigation procedures to be included as a condition of approving the application for permit to drill and right-of-way application. The proposed action would not cause the loss or destruction of any significant scientific, cultural or historical resources.

9) The degree to which the action may adversely affect an endangered or threatened species or its habitat that has been determined to be critical under the ESA of 1973.

No threatened or endangered species are known to inhabit the Project Area and there is no potential for the action to adversely affect them or their habitat. There are known BLM sensitive animal species present within the Project Area which are identified in the EA. BLM and Noble have proposed BMPs for protection of greater sage-grouse and sage-grouse habitat. Noble has prepared a Bird and Bat Conservation Strategy which is designed to reduce the potential risks of bird and bat mortality. With implementation of the Project Design Features and BLM Project-specific Mitigation Measures included in the Bird and Bat Conservation Strategy, and the BLM-assigned Mitigation Measures provided in the EA, effects to BLM-sensitive animal species would be avoided or minimized.

10)	Whether	the action	threatens	a violation	of Fed	leral, i	State,	or	local	law	or
req	uirements	s imposed [for the pro	otection of t	he envi	ronm	ent.				

Inclusion of standardized language concerning BLM's responsibilities for cultural resources and Native American consultation, special status species and migratory birds, as a condition of approving the proposed action would ensure no Federal requirement for the protection of these resources is violated. The operator is required to obtain any Federal, State or local permits required for the protection of wildlife, air and water resources.

Richard E. Adams	Date	
Field Manager		
Tuscarora Field Office		